

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 10, 2014

Lisa Young Wells Fargo Bank 55 South Main St. Blanding, Utah 84511

Subject:

Authorization for Release of Reclamation Surety, Certificate of Deposit, Kimmerle

Mining Company, Neighbor Mine, Permit S/037/0119, San Juan County, Utah

Dear Ms. Young:

Wells Fargo Bank is holding Certificate of Deposit (CD)? For the benefit of the State of Utah, Division of Oil, Gas and Mining (Division), and the US Department of the Interior, Bureau of Land Management, as a form of reclamation surety for Kimmerle Mining Company's Neighbor Mine. The operator desires to replace this surety with another CD with Wells Fargo and this letter authorizes the full release of CD with the condition that the funds be immediately moved into the new CD that was opened by Kimmerle Mining Company for this purpose. The Division expects Mr. Kimmerle to add additional funds to this new CD to bring the principal balance to \$11,500.00. When this transaction has been completed, please supply the Division with a copy of the new CD.

The same conditions that apply to CD will apply to the new CD, i.e. that no money other than interest may be withdrawn from the CD without authorization from the Division. The Division will need to obtain a new, signed CD agreement letter and will forward a copy of this letter to you and Mr. Kimmerle when it has been prepared.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,

John R. Baza Director

JRB:mpb:pb

cc: Kimmerle Mining Company

Ted McDougall, BLM Monticello FO (tmcdouga@blm.gov); Opie Abeyta, BLM SO (oabeyta@blm.gov) P:\GROUPS\MINERALS\WP\M037-SanJuan\S0370119-Neighbor\draft\CDRel-5764-01092014.doc

